

Summary Report

DRC WORKSHOP ON TAXES AND TARIFFS ON INSECTICIDE TREATED NETS (ITNs)

Organized by

**AED/NetMark Africa Regional Malaria Program
and
East, Central and Southern Africa-Health Community
(ECSA)**

In Collaboration with

Ministry of Health, DRC

**30 January – 2 February 2006
Memling Hotel, Kinshasa**

Sponsored by USAID - REDSO



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DRC Workshop on Taxes and Tariffs on ITNs

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Summary Report

1.0 Introduction

DRC Workshop on taxes and tariffs on ITNs was organised by AED/NetMark Africa Malaria Programme and East, Central and Southern Africa (ECSA) Health Community in collaboration with the Ministry of Health DRC with financial support from USAID-REDSO. The workshop was in two parts: the first three days were for Workshop Training in advocacy skills to selected officials including use of the MoreNets spreadsheet model that was developed by SARA/AED. The last day of the workshops was an Advocacy Workshop for selected stakeholders involved in ITNs activities.

The Workshop was officially opened by the Minister of Health, Hon Prof. Emile BONGELI and attended by over 45 participants including Members of Senate and Parliament (MP) of DRC; Representatives from the Ministry of Health; National Malaria Control Programme (PLPM); WHO; UNICEF; NGOs; private sector, Kinshasa University and the media.

In the opening remarks, the Minister of Health, indicated that DRC was committed to the removal of taxes and tariffs on ITNs and other malaria prevention commodities. He promised to work closely with other ministries and stakeholders in the process of taxes removal in DRC.

This workshop was a follow-up on the Johannesburg Regional Workshop on Taxes and Tariffs on ITNs, which was organized by ECSA-HC/NetMark in November 2004. The Regional workshop was attended by representatives from various countries including DRC. At the end of the workshop, participants prepared draft advocacy implementation plans, which were to be discussed with their respective countries for implementation.

After the Regional Workshop, follow-up visits and discussions were undertaken by ECSA-HC/NetMark in a number of countries including DRC. During the follow-up visits and discussions in DRC, it was agreed that a workshop be arranged for stakeholders in DRC to discuss the issues of taxes and tariffs on ITNs. It was also agreed that a selected group of officials be trained in advocacy during the workshop in order to give them skills, which would be used in advocacy activities after the workshop.

2.0. Objectives of the DRC Workshop

1. Discuss the status of taxes and tariffs on ITNs in DRC and analyse opportunities and constraints in relation to the removal of taxes and tariffs on ITNs.
2. Create a strong core working group of qualified and interested local officials to lead the advocacy process in the country.

3. Develop/strengthen the capacity of selected officials to enable them demonstrate the health and economic impacts of malaria using the MoreNets model.
4. Develop a broad tax and tariff advocacy strategy for DRC including all stakeholders.
5. Put in place a plan for follow-up activities to be undertaken after the workshop.

3.0. Presentations during the Workshop

During the workshop, a number of presentations were made by various stakeholders focusing on the burden of malaria and the need to remove taxes and tariffs on ITNs in DRC. The main presentations included:

- Background information and rationale for the removal of taxes and tariffs on ITNs in Africa;
- Malaria situation in Africa;
- Malaria and ITNs situation in DRC;
- Status of taxes and tariffs on ITNs in DRC;
- Overview on the advocacy activity for the removal of taxes and tariffs on ITNs: Country experiences;
- Use of MoreNets Spreadsheet Model as a tool in advocating for the removal of taxes and tariffs on ITNs in DRC;
- A Review of ITNs taxes and tariffs advocacy implementation plan for DRC
- Introduction to the concepts of Advocacy;
- Use of information generated with MoreNet model in taxes and tariffs removal advocacy.

4.0. Workshop Outputs

By the end of the workshop, the following had been achieved:

- Presentations and discussions on the status of taxes and tariffs on ITNs in DRC including opportunities and challenges of removing taxes and tariffs.
- Presentations and discussions on the experiences, lessons and process of reducing or removing taxes and taxes on ITNs.
- Participants were introduced to the use of MoreNets Advocacy Spreadsheet model, to be used in advocating for the removal and reduction of taxes and tariffs.
- Skills and knowledge were acquired on how to formulate an advocacy strategy/presentation for the reduction or removal of taxes and tariffs on ITNs using information generated from the MoreNets Model.
- A presentation on the removal of taxes ad tariffs on ITNs was prepared and presented to the Minister of Health at the closure of the workshop.
- Ideas on the preparation of the draft bill for the removal of taxes and tariffs were put forward by participants.
- The DRC ITNs advocacy implementation work plan was reviewed and revised.
- All participants committed themselves to work together and remove taxes on ITNs and other malaria prevention commodities in DRC.

5.0. Appendices

5.1: Advocacy Presentation prepared by workshop participants: Removal of taxes and tariffs on ITNs and other Malaria control commodities

The presentation will be used as a guideline by those involved in advocating for the removal of taxes on ITNS

Content

- Scale and seriousness of malaria
- Causes and solutions to malaria problems
- Objectives of advocacy
- Targets of advocacy
- Implementation plan
- Proposed alliances
- Conclusion

Scale and seriousness of malaria

- ☐ High mortality caused by malaria, specially to children under 5 years and pregnant women
- ☐ 45% of patients in hospitals.
- ☐ More than 4.5 millions of cases recorded by health officials.
- ☐ High absenteeism at school and at job
- ☐ Downturn in economic production and poverty

Factors aggravating malaria

- ☐ Transmission of sickness all the year long by mosquito bites
- ☐ Resistance of malaria parasites to available drugs
- ☐ Resistance of mosquitoes to insecticides
- ☐ Insufficiency in the use of ITNs, the cleaning up of the environment or the preventive treatment of pregnant women
- ☐ Weakness of health system to organize care and prevention.

Solutions to the malaria problem

- Promoting the use of ITNs by many by:
 - Involving communities (which includes children), private organizations and NGOs in promoting ITNs
 - The removal of taxes and tariffs on ITNs, medicines and other anti-malaria products
 - Promoting local manufacture of ITNs
 - Mobilizing financial resources in the fight against malaria
- Encourage cleaning up of the environment
- Supply effective medicines and insecticides
- Strengthen health system capacities

Advocacy Objectives

- By February 2006, create advocacy alliances for the removal of taxes and tariffs on ITNs, medicines and other anti-malaria products
- By February 2006, review the law on taxes and tariffs on ITNs, medicines and other anti-malaria products
- By the end of May 2006, organize meetings with parliament to adopt the draft of the law submitted by the government on the removal of taxes and tariffs on ITNs, medicines and other anti-malaria products.
- By the end of May 2006, implement the revised law promulgated by the President of the Republic

Advocacy targets

- The President of the Republic of DRC
- The Vice-President dealing with the ECONOMY AND FINANCE
- The Vice-President dealing with the Socio-Cultural
- The Presidents of the 2 chambers of the parliament
- The Minister of Finances

Expected gains in case taxes and tariffs are removed

SITUATION WITHOUT REMOVAL	SITUATION WITH REMOVAL + coverage of 60%
200 000 decease in malaria cases /year	150 000 decease or a reduction of 50 000/year or 25%
300 000 days of sickness/year	220 000 days of sickness or a gain of 80 000 (26%)
70 millions \$ lost/year	50 millions \$ lost/year or a gain of 20 millions \$ (29%)

Proposed Alliances

-Public Institutions

- Presidential officials, Parliament
- Technical ministries: Health, Planning, Education, Justice, Women and Children Condition, Finances, Youth, Budget, Labor
- Diplomatic missions
- Agencies of the United Nations and bilateral cooperation (USAID, CTB, GTZ,)

-Private Institutions

- The Federation of Congolese Firms, Trade Unions, NGOs
- Researchers, physicians and nurses associations, lawyers and political parties
- Parents and student associations
- Community networks for women, children and youth.

Implementation Steps

Activity	Responsible
1. Make alliances	Follow-up Comity
2. Prepare the draft law	Follow-up Comity
3. Submit the draft law to concerned Ministries	Follow-up Comity
4. Submit the draft law to the Council of Ministers	Concerned Ministers
5. Organize meeting with members of Parliament and Presidents of parliamentary groups	Follow-up Committee
6. Submit the reviewed law to the President of the Republic for promulgation	President of the National Assembly
7. Promulgate the reviewed law	President of the Republic
8. Communicate the new law to stakeholders	Follow-up Committee and all partners

5.2: Ideas on changing the law to remove taxes and tariffs on ITNs

Possible ways of changing the Law

- Exemption by decree by the Minister of Finance
- Discussion of the law by Parliament

Option: Both are possible. However since exemption may not be possible in the time remaining, there is need to begin with the drafting of the law to be discussed by Parliament. But the option of a decree cannot be left out.

Exemption by decree

1. The Minister of Finance has the jurisdiction to grant exemptions.
2. Abuja declaration is an international and strong commitment, when compared with national laws and regulations. An Abuja declaration is seen as a law and the Minister of Finance can use it to make a decree.

Decree components

- Abuja Declaration or Agreement: Commitment?
- Human and socioeconomic burdens due to malaria in DRC.

Main Body of decree

- Removal of taxes and tariffs on ITNs, Insecticides and other commodities (to be determined by PNLDP)
- Issues of Anti-Malaria medicines and prevention commodities produced locally.
- Removal of taxes and tariffs for the local produced Anti-malarials
- Removal of taxes and tariffs on imported anti-malaria medicines and commodities
- The exemption Decree must clearly mention the reduction of fees, taxes and tariffs for the services from different companies at the border and in the local production.
- The role of ONATRA (National Office of Transportation)
- The role of OCC (Congolese Office of Control)

Results Expected After Exemption

ITNs and MNI: Taxes and tariffs: 0% CIF: 0%. So, other taxes bound to CIF = 0% (BIC 0%, Foreign Trade 0%, FPI (funds for industrial promotion) 0%, OGEFREM 0%, Health, Quarantine, DGRAD (General Office of Administrative Receipts), Foreign Trade, 30% of reduction, in comparison with the nowadays situation. Imported Anti-Malaria: less than 5% of taxes, Anti-malaria medicines locally produced: Commodities: 0%, so more than 30%, Finished Products: determine concerned taxes.

5.3: Revised Advocacy Implementation plan for the removal of taxes and tariffs on ITNs

Appendix 7.2 Implementation Plan: Advocacy for the removal of taxes and tariffs on ITNs in DRC from December 2005- May 2006						
Objective I : By the end of December 2005, create alliances to plead for the removal of taxes and tariffs						
Activities	Resources in \$US	Responsible	Evaluation	Timetable		
				D - J	F - M	A-M
Calling a meeting for ministries (Health, Finances, Budget, Plan, Social Affairs and consumers)	1500	President of Task Force/Malaria	Report of the meeting	X		
Identify members of committee of alliance	100	S. G of Ministries	List of persons	X		
Adopt the calendar of meetings	1000	Committee of Allies	Calendar	X		
Objective II : By the end of February 2006, draft a law on removal of taxes and tariffs on ITNs						
Create the interdepartmental follow-up Committee to draft the law on the removal of taxes on ITNs	-	Director of Cabinet	Interdepartmental decree	X		
Discuss the draft law	3000	Follow-up Committee	Draft of the law	X		
Submit the draft law to concerned Ministers	250	Follow-up Committee	Letter of transmission	X		
Finalize the draft law with the Commission of taxes and tariffs/Finances	1500	Director of Cabinet/Finances	Draft finalized		X	
Send finalized draft law to Min/Finances & Health	250	Follow-up Committee	Letter of transmission		X	
OBJECTIVE III : By the end of April 2006, bring together the Council of Ministers to adopt the drafted law						
Send draft law to Economic-Finance/Government		Minister of Finances	Letter		X	
Organize a talk between allies & Vice-president of ECONOMIC-FINANCES	2.500	Minister of Health	Report		X	
Examine the draft by the ECONOMIC-FINANCES/Government	-	Minister of Finances	Report		X	
Transmit the draft of the law to the Council of Ministers	-	Vice-president	Schedule		X	
Discussions and adoption of the draft law by the Council of Ministers	1000	Vice-president	Schedule			X
Sending the draft law to the Parliament	500	Secretary/Government	Letter			X
OBJECTIVE IV : By the end of May 2006, bring together the Parliament to adopt the draft law on the removal of taxes and tariffs on ITNs						
Talk with members of the Commission to examine the law	2500	Follow-up Committee	Report			X
Organize individual talks with Presidents of provinces, Presidents of parties in the Parliament	5500	Follow-up Committee	Report			X
Lobbying influential Deputies (Members of Parliament)	2000	Follow-up Committee	Report			X
Lobbying Women Deputies (Members of Parliament)	2500	Follow-up Committee	Report			X
Organize a meeting with Parliament	3000	Follow-up Committee	Report of the meeting			X
Attend deliberations and meetings of Parliament	750	Follow-up Committee	Report			X
GENERAL TOTAL	27.350*					X

5.4: List of Workshop Participants

N°	Nom et Post Nom	Organisme
1	Dr Felly Botongandi	Cabinet Minisanté
2	Cristiano Kakez	Secr. Gén. Santé
3	Dr John Gikapa	Sanru III
4	Dr Bobanga Lengu	UNIKIN
5	Mulanga Sophie	Dafra Pharma
6	Musa Kalupala	Assemblée Nationale
7	Katherine Wolf	ASF/PSI
8	Justin Bagula	ASF/PSI
9	Dr Swana Nimy	PNLP
10	Kuzonza Abel	Ministère du Plan
11	Dr Liévain Mirindi	4ème Direction Minisanté
12	Dr Mashako Patience	PNLP
13	Alphonse Siteke	PNLP
14	Phc Clément Wuteji	3ème direction Minisanté
15	Botikala Edouard	OCC/Importation
16	Ramazani Mweki	FEC
17	Dr Elisabeth Sommerfelt	AED
18	Mayindu Kimfuita	OFIDA
19	Annie Kenda	Ministère de la Condiffa
20	Nzee Yangi	The Molima's
21	Martin Alilio	AED NetMark
22	Benjamin Mutombo	PNLP
23	Kasereka	PNLP
24	Chris Muhango	ECSCA-Health Community
25	Joseph Makengo	Gold & Silver
26	Dr Ndakala Y.M.	5ème direction Minisanté
27	Dr Didier Gasigwa	PNLP
28	Dr Halima A.Mwenesi	AED/NetMark
29	Jean Bosco Muzungu	The Molima's
30	Dr Benjamin ATUA	PNLP
31	Kalombo Louise	Cabinet Minisanté
32	Onze Ngayala	PNLP
33	Mavinga Charlotte	PNLP

34	Bukanga Célestin	PNLP
35	Angèle Mema	Cabinet Minisanté
36	Dr Bolamba	Cabinet Minisanté
37	Nestor Mukinay	CNOS
38	Dr Mongolo Molengi	Cabinet Minisanté
39	Kasongo Kelon	Cabinet Minisanté
40	Marc Muta Muhigi	PNLP
41	José Kande	PNLP
42	Manongi Amboko	Cabinet Minisanté
43	Dr Makina	OMS/RDC
44	Phc Rogatien Mupota	CIPLA
45	Christian Bwanga	Gold & Silver